



WASHINGTON STATE
HOUSING FINANCE COMMISSION

Karen Miller
Chair

Mr. Kim Herman
Executive Director

May 1, 2009

Regulations Division
Office of General Counsel
451 7th Street, SW., Room 10276
Department of Housing and Urban Development
Washington, DC 20410-0500

Re: Docket No. FR-5298-N-01
Low Income Housing Tax Credit (LIHTC) Tenant Data Collection; Advance Solicitation of Comment on
Data Collection Methodology

To whom it may concern:

State Housing Finance Agencies (HFAs) currently collect annual reports on tax credit financed properties in a myriad of ways. While some states share some similar reporting forms, to satisfy individual state Qualified Allocation Plans (QAPs) and to partner with other public funders, many states have developed their own forms and collection methods. Additionally, some states collect hard copy submissions; some collect information electronically using Excel spreadsheets; some states use an outside vendor to collect reports electronically; and some states have developed their own electronic submission methods. In short, any requirement by HUD to use specific forms for collection or to enter extensive information manually into TRACs will be overly burdensome and unworkable for many states, owners, managers and residents.

In Washington State, for instance, we have developed our own set of reporting forms and we have historically collected annual reports on Excel spreadsheets. We are in the process of implementing a new web-based reporting system in 2009. And, we share and coordinate our reporting process with six other public funders at the city, county and state level, who collect additional data that would not be required by HUD and would prove problematic if standardized methods are required.

Recommendations:

1. **Work with NCSHA to develop a set of questions that should be included in any data collection method.** This will allow states to use existing forms and reporting methods, but cater those forms to collect exactly what HUD needs to satisfy HERA legislation.
2. **Only collect data upon move-in of new households.** While it would be useful to have information on existing households, since the IRS no longer requires recertification of income, any yearly collection of income will be very inaccurate, as it would not be third-party verified. Also, move-in will be the best time to collect demographic and disability information from residents. Disability status, for instance, will be much more accurate on move-in as many residents will move in with a third-party service plan or other disclosure that would identify

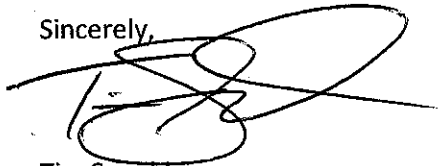


their disability status. Of course disclosure of disability status must be entirely voluntary and collected after any lease is signed to avoid Fair Housing concerns.

3. **Only require submission of aggregate data.** There is no reason for HUD to collect resident names, unit numbers, incomes or any other personal information. HUD need only collect aggregate data. This is also true for vacancy information. HFAs should collect end-of- year vacancy data that should provide a fairly accurate picture of overall vacancy of LIHTC. Those states that do not have electronic collection methods can simply calculate vacancy based on the numbers of units occupied at the end of the year.
4. **Allow upload of data in an XML format.** Most current software systems are capable of producing an XML file for upload fairly easily. This XML file could be sent via email, or, HUD could set up a website with a password for each state to upload an XML file. States that still use hard copy submissions would need to enter aggregate data directly into the web system. TRACS is not a workable solution as it is not used by many states – unless of course TRACS could be modified to allow XML upload and to require manual input of only aggregate data.

Thank you for giving us an opportunity to comment on your proposed regulation. We would be happy to assist HUD in any way needed to successfully implement this policy.

Sincerely,

A handwritten signature in black ink, appearing to be 'Tim Sovold', written over a horizontal line.

Tim Sovold
Director, Compliance & Preservation
Washington State Housing Finance Commission